

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 085930
ORIGIN EB-08

INFO OCT-01 ARA-06 EUR-12 IO-13 ISO-00 COME-00 TRSE-00
L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06 AGRE-00
AID-05 CIAE-00 INR-07 LAB-04 NSAE-00 OIC-02
SIL-01 STR-04 CEA-01 GSA-02 AF-10 EA-07 NEA-10
/109 R

DRAFTED BY EB/ISM:WCLENAHAN
APPROVED BY EB/ICD:EAWENDT
COMM:OESRP/ICS:FSIESSEGER
TREAS: B HACK
IO/IEP:EBRUCE
B/ISM:ACHEWITT

-----161207Z 105386 /14

R 160141Z APR 77
FM SECSTATE WASHDC
TO USMISSION GENEVA
INFO USMISSION USUN NEW YORK
AMEMBASSY LA PAZ
AMEMBASSY LONDON

LIMITED OFFICIAL USE STATE 085930

E.O. 11652: N/A

TAGS:EMIN, UNCTAD

SUBJECT: UNCTAD TDB 8TH SPECIAL SESSION: TUNGSTEN

REF: GENEVA 2638 (NOT SENT LA PAZ OR LONDON)

1. USG POSITION CONCERNING THE POSSIBILITY OF INCLUDING
A PROPOSAL FOR A TUNGSTEN NEGOTIATION ON THE TDB AGENDA
IS THAT WE REMAIN OPPOSED TO A CONFERENCE TO NEGOTIATE
AN INTERNATIONAL COMMODITY AGREEMENT (ICA) FOR TUNGSTEN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 085930

BECAUSE THERE IS NO CONSENSUS BETWEEN PRODUCERS AND
CONSUMERS AS TO EITHER THE BASIC VIABILITY OF AN ICA FOR
TUNGSTEN OR THE FORM SUCH AN ICA COULD TAKE. MOREOVER,
FROM OUR DISCUSSIONS WITH SEVERAL PRODUCERS (THAILAND,
CANADA, AUSTRALIA, AND BOLIVIA), IT IS EVIDENT THAT
PRODUCERS ARE NOT ENTIRELY IN AGREEMENT ON
A TUNGSTEN ICA, ALTHOUGH ALL GENERALLY FAVOR

THE NEGOTIATION OF SOME FORM OF ARRANGEMENT. ONLY BOLIVIA (PERHAPS WITH ACTIVE PRC AND PASSIVE AUSTRALIAN SUPPORT) ENDORSES THE CONCEPT OF A TUNGSTEN ICA SIMILAR TO THAT OF THE FIFTH INTERNATIONAL TIN AGREEMENT AND A TDB SPONSORED NEGOTIATION DESIGNED TO ACHIEVE IT.

HOWEVER, WE UNDERSTAND THAT BOTH CANADA AND AUSTRALIA WOULD PREFER TO HAVE TUNGSTEN REMAIN WITHIN THE UNCTAD COMMITTEE ON TUNGSTEN (COT) UNTIL SUCH TIME AS THERE IS A BROAD CONSENSUS AMONG PRODUCERS AND CONSUMERS ON THE USWFULNESS AND FORM OF A TUNGSTEN ARRANGEMENT.

2. ACCORDINGLY, WE ARE OPPOSED TO THE INCLUSION OF TUNGSTEN ON THE TDB AGENDA AND BELIEVE THAT THE TUNGSTEN QUESTION SHOULD REMAIN IN THE COT FOR RESOLUTION. IN THIS CONNECTION, IN YOUR INFORMAL CONSULTATIONS, IN GROUP B DISCUSSIONS, AND IN INDIVIDUAL DISCUSSIONS WITH PRODUCERS (AUSTRALIA, BOLIVIA, CANADA, PRC, PORTUGAL, SOUTH KOREA AND THAILAND), YOU MAY STATE THAT THE US IS PREPARED TO: 1) PARTICIPATE IN AN EARLY MEETING OF THE COT; 2) AGREE TO THE FORMATION OF A GROUP OF EXPERTS BY THE COT TO DETERMINE WHETHER MEASURES TO IMPROVE THE MARKET ARE FEASIBLE AND DESIRABLE AND TO MAKE APPROPRIATE RECOMMENDATIONS TO THE COT FOR CONSIDERATION; 3) AGREE TO AN EXPEDITED WORK PROGRAM, SAY SIX MONTHS, FOR THE GROUP OF EXPERTS TO BE IMMEDIATELY FOLLOWED BY A COT MEETING TO DETERMINE WHETHER AN ARRANGEMENT SHOULD BE NEGOTIATED OR OTHER ACTIONS TAKEN. HOWEVER, WE ARE PREPARED TO PARTICIPATE IN A GROUP OF EXPERTS ONLY IF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 085930

THE TERMS OF REFERENCE FOR SUCH A GROUP ARE SUFFICIENTLY BROAD TO ENCOMPASS ALTERNATIVE MEASURES FOR THE STABILIZATION OF TUNGSTEN TRADE.

3. OUR BASIC POSITION RE STABILIZATION MEASURES FOR TUNGSTEN IS THAT TIN-TYPE ARRANGEMENT IS NOT APPROPRIATE GIVEN THE UNIQUE CHARACTERISTICS OF THE INDUSTRY, E.G., POOR DATA BASE; LACK OF TERMINAL MARKET; RELIANCE ON LONG TERM CONTRACTS; NO STANDARDIZED PRODUCT. WE WOULD HOWEVER, BE PREPARED TO CONSIDER OTHER MEANS TO ENCOURAGE AND STABILIZE TRADE IN TUNGSTEN INCLUDING THE ESTABLISHMENT OF A PRODUCER CONSUMER FORUM. IN RECENT CONVERSATIONS WE HAVE HAD WITH THE UK, FRG, AND JAPANESE, THEY HAVE SUPPORTED OUR POSITION.

4. FYI: WE UNDERSTAND BOLIVIA WILL BE REPRESENTED AT THE TDB BY CARLOS ITURALLDE, PROMINENT BOLIVIAN BUSINESSMAN WHO HAS GAINED MUCH NEGOTIATING EXPERIENCE FROM HIS PARTICIPATION IN THE INTERNATIONAL TIN COUNCIL. ITURALLDE

WHO WE UNDERSTAND WILL BE TRANSITING GENEVA ENROUTE TO
SOUTHEAST ASIA, IS FAMILIAR WITH OUR POSITION, BUT REMAINS

INSISTENT ON A TIN TYPE ARRANGEMENT FOR TUNGSTEN. ITURALLDE
MAY ATTEMPT TO CONVEY THE IMPRESSION THAT HE IS SPEAKING
FOR ALL PRODUCERS WHEN IN FACT, TO OUR KNOWLEDGE,
PRODUCERS HAVE VARYING VIEWS ON THE TUNGSTEN QUESTION.

5. FOR FURTHER GUIDANCE SEE THE HEWITT-STREEB LETTER OF
MARCH 28.
CHRISTOPHER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, TUNGSTEN, DEVELOPMENT PROGRAMS, COMMODITY AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 16-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE085930
Document Source: CORE
Document Unique ID: 00
Drafter: WCLENAHAN
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770133-0171
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770450/aaaabqwq.tel
Line Count: 127
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 69e2cba3-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 GENEVA 2638
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2786168
Secure: OPEN
Status: NATIVE
Subject: UNCTAD TDB 8TH SPECIAL SESSION: TUNGSTEN
TAGS: EMIN, UNCTAD
To: GENEVA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/69e2cba3-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009